

Message Text

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PAGE 01 SEOUL 06614 080801Z

ACTION EA-09

INFO OCT-01 ISO-00 EB-08 /018 W

-----028702 080912Z /13

R 080720Z AUG 77

FM AMEMBASSY SEOUL

TO USDOC WASHDC

SECSTATE WASHDC 5581

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL HONG KONG

UNCLAS SEOUL 6614

E.O. 11652: N/A

TAGS: BENC, KS

SUBJ: MAJOR PROJECT - HYUNDAI CAPROLACTAM PLANT CONSTRUCTION

REF: SEOUL'S A-108, JUNE 9, 1977

1. PROJECT DESCRIPTION:

HYUNDAI INTERNATIONAL INC. (HII), A MEMBER OF THE HYUNDAI BUSINESS GROUP, PLANS TO CONSTRUCT KOREA'S SECOND CAPROLACTAM PLANT AT THE YOCHON PETROCHEMICAL COMPLEX INDUSTRIAL ZONE ON THE SOUTHERN COAST OF KOREA. THE PLANT WILL HAVE A PRODUCTION CAPACITH OF 100,000 MT/YEAR.

2. IMPLEMENTING OFFICE:

MR. LEE, OK SUK, DIRECTOR, CHEMICAL AND PETROCHEMICAL PLANT DEPARTMENT, HYUNDAI INTERNATIONAL INC. (HII)
200 DANGJUNG-RI, NAM-MYUN, SIHEUNG-GUN, KYUNGGI-DO, KOREA
CPO BOX: 1826 (SEOUL)
CABLE: ROKATLAS (SEOUL)
TELEX: HINTLA K28388, HINTL K27461
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3. COST AND FINANCING:

TOTAL PROJECT COSTS ARE PRESENTLY ESTIMATED AT DOLLARS 168 MILLION. FOREIGN EXCHANGE COSTS OF DOLLARS 68 MILLION FOR THE IMPORT OF PLANT EQUIPMENT AND EMPLOYMENT OF FOREIGN CONSULTANT SERVICES TO ASSIST HII IN PLANNING THE CONSTRUCTION OF THE

PLANT (BASIC ENGINEERING), DETAILED ENGINEERING, PROCUREMENT DOCUMENTATION AND CONSTRUCTION SUPERVISION WILL BE FINANCED THROUGH FOREIGN LOANS OR SUPPLIER'S CREDIT. HII HAS NOT YET ARRANGED FINANCING FOR THE FOREIGN EXCHANGE COSTS OF THIS PROJECT.

4. EXPECTED BID DATE:

UNKNOWN, DEPENDS ON AVAILABILITY OF THE FINANCING OF FOREIGN EXCHANGE COSTS. HYUNDAI'S TENTATIVE IMPLEMENTATION SCHEDULE ON THIS PROPOSED PROJECT CALLS FOR APPROVAL OF THE ROK-GOVERNMENT BY THE END OF DECEMBER 1977. BASIC ENGINEERING AND DETAILED DESIGN ARE EXPECTED TO BE STARTED IN FIRST PART OF 1978, WITH CIVIL ENGINEERING AND BUILDING CONSTRUCTION WORK TO COMMENCE IN MID-1978 AND THE PLANT EQUIPMENT TO BE INSTALLED BY MID-1980.

5. POTENTIAL U.S. SALES:

U.S. INVOLVEMENT COULD INCLUDE BASIC ENGINEERING CONSULTING SERVICES AND/OR DETAILED DESIGN, PROCUREMENT, ERECTION AND CONSTRUCTION SUPERVISION. EQUIPMENT FOR SUBJECT PROJECT IS TO BE A STAMICARBON HYDROXYLAMINE PHOSPHATE OXIME (H.P.O.) PACKAGE PROCESS.

6. POST COMMENTS:

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SUBJECT PROJECT IS INTENDED TO SUPPORT THE ROKG HEAVY AND CHEMICAL INDUSTRY DEVELOPMENT PLAN AND THUS RECEIVES A HIGH PRIORITY FROM ROKG PLANNERS. EMBASSY RECALLS THAT ARTHUR G. MCKEE OF U.S. WAS INTERESTED IN HANKOOK CAPROLACTAM CONSTRUCTION PROJECT A FEW YEARS AGO, AND IN FACT EMBASSY HAS ALREADY MENTIONED TO MR. LEE, IMPLEMENTING OFFICER, HII THAT MANY U.S. FIRMS MAY BE INTERESTED IN PARTICIPATING THIS PROJECT. LEE INDICATE THAT HII WELCOMES ARTHUR G. MCKEE INTEREST IN THIS PROJECT AS WELL AS THAT OF OTHER U.S. FIRMS. COMMERCE MAY WISH TO PASS THIS INFO TO MCKEE AND OTHER APPROPRIATE U.S. FIRMS. EMBASSY SUGGESTS THAT INTERESTED U.S. FIRMS IMMEDIATELY CONTACT MR. LEE CONCERNING THIS PROJECT. THIS IS THE FIRST POST CABLE ON THIS PROJECT AND MORE INFORMATION WILL FOLLOW AS IT BECOMES AVAILABLE.

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Sent Date: 08-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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